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AT&T

Leonard J. Cali
Vice President & Director
Federal Regulatory Affairs
AT&T Federal Government Affairs

Suite 1000
1120 20th St. NW
Washington, DC 20036
202 457-2120
FAX 202 457-2545

July 27, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

RE: Notice of Ex Parte Meeting: In the Matter of Charge Reform, CC Docket No. 99-262, MCI Telecommunications Corp. Emergency Plan for Petition for Prescription, CC Docket No. 97-250, and Consumer Federation of America Petition for Rulemaking, RM-9210.

Dear Ms. Salas:

Yesterday, Joel Lubin and I, of AT&T, met with Commissioner Gloria Tristani and Sarah Whitesell, Legal Advisor to Commissioner Tristani, concerning the referenced proceedings. We reviewed the attached materials during the meeting, and discussed AT&T's view that collocation is not a measure of competition for interoffice facilities or special access terminations, and that the Commission and the industry should instead identify flexibility "triggers" superior to collocation as well as the data sources needed to support those triggers. We otherwise reviewed AT&T's positions as reflected in AT&T's written submissions in this proceeding.

Two copies of this Notice are being submitted in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Attachment
cc: Commissioner Gloria Tristani
Sarah Whitesell

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Special access is not substantially competitive, and there remain persistent, substantial barriers to competition

- limits to alternative facility scope and capacity
- ILEC operational limitations
- termination liabilities
- anticompetitive practices

Pricing flexibility is inappropriate absent substantial competition

Collocation does not measure competition or the potential for competition for:

- interoffice transport; or
- special access terminations

Appropriate measures are <u>units</u> of competitive facilities

- the competition test should be both bright line and accurate; collocation may be "bright" but is highly inaccurate
- accurate measures of competitive facilities for POP to LSO are needed
- accurate measures of competitive facilities for LSO to premises are needed

Safeguards should include:

- nondiscriminatory availability with freedom from termination liabilities
- advance notice of contract offerings
- no headroom
- no lower formula adjustment
- affiliate protections
- proven record of performance with respect to UNEs, collocation, and other market-opening requirements